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I. INTRODUCTION

1. The Paris Declaration and the Programme of Action for the Least Developed Countries for the 1990s 1/ were adopted by the Second United Nations Conference on the Least Developed Countries, held in Paris in September 1990. In its resolution 48/171 of 21 December 1993, the General Assembly decided to conduct a mid-term global review of the implementation of the Programme of Action, in accordance with paragraph 140 of the Programme and paragraph 7 (a) of its resolution 45/206 of 21 December 1990. In its resolution 49/98 of 19 December 1994, the Assembly decided to convene the High-level Intergovernmental Meeting on the Mid-term Global Review on the Implementation of the Programme of Action for the Least Developed Countries for the 1990s in New York from 25 September to 6 October 1995 to carry out the review, to consider new measures as necessary, and to report to the Assembly on progress made in the implementation of the Programme of Action.

2. The present report is in response to the requests addressed to the Secretary-General in resolutions 48/171 and 49/98 to report to the General Assembly at its fiftieth session on the implementation of these resolutions as well as to submit at the session a report on the High-level Intergovernmental Meeting. Section II of the report contains an assessment of the outcome of the High-level Intergovernmental Meeting, and section III an account of the preparatory process for the mid-term global review.

3. The High-level Intergovernmental Meeting adopted a decision requesting its Chairperson to submit the outcome of the meeting to the General Assembly for its appropriate consideration and action at its fiftieth session. The report of the meeting, including the full text of the Declaration, an assessment of progress in the implementation of the Programme of Action at the national level and progress in international support measures and recommendations adopted by the High-level Intergovernmental Meeting, are being submitted separately in document A/50/745.

II. OUTCOME OF THE HIGH-LEVEL INTERGOVERNMENTAL MEETING ON THE MID-TERM GLOBAL REVIEW OF THE IMPLEMENTATION OF THE PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE 1990s

4. The High-level Intergovernmental Meeting was held at United Nations Headquarters in New York from 26 September to 6 October 1995. It was preceded by a one-day meeting of senior officials on 25 September 1995, which addressed outstanding issues related to the organization of work of the High-level Intergovernmental Meeting.

5. Over the early years of the 1990s, it became clear that the performance of the least developed countries as a group, fell far short of many of the objectives of the Programme of Action for the Least Developed Countries for the 1990s. Against this background, the High-level Intergovernmental Meeting adopted a Declaration and agreed on national and international policies and

measures in a number of key areas with a view to accelerating the implementation of the Programme of Action during the remainder of the decade.

6. Besides making an assessment of the socio-economic performance of the least developed countries in the early 1990s, the High-level Meeting also identified the salient constraints affecting socio-economic progress in the least developed countries. At the domestic level, policy-related constraints included macroeconomic imbalances, manifested in large fiscal and balance of payments deficits and, in many instances, the unfavourable short-term impact of macroeconomic policy adjustments on specific areas; structural or endowment-related constraints included lack of adequate physical infrastructure and poor performance of the productive sector; and country-specific constraints included civil strifes and recurrent natural disasters in some least developed countries and the resulting social and economic burdens. A number of external constraints were faced by the least developed countries, such as persistent debt and debt-servicing problems, the decline of the least developed countries share in world trade and their continued marginalization and the inadequacy of external finance.

7. The High-level Meeting also took note of the fact that despite the poor performance of the least developed countries as a group, nearly one quarter of least developed countries were able to attain positive per capita income gains in the early 1990s. Factors such as a strong expansion of agricultural production, internal stability, strong government commitments, a sound political and regulatory framework for development, complemented by significant external support, among other factors, have contributed to raising economic growth rates and have helped these countries to address some of the constraints facing their economies.

8. In the light of the recent performance of the least developed countries in the early 1990s and the factors determining such performance, the High-level Meeting defined the threefold challenge facing the least developed countries in the second half of the 1990s in terms of the need: to reverse the decline in economic and social conditions; to promote sustainable economic growth, development and structural transformation; and to avoid becoming further marginalized in the world economy. The policy agenda agreed at the meeting had a strong accent on the following areas: (a) a greater external orientation of the least developed countries' economies; (b) development of a dynamic private enterprise sector; (c) human resources development; (d) eradication of poverty; and (e) a renewed commitment to provide external support.

9. The mid-term review also stressed the importance of the ongoing policy reform process in least developed countries. While these reforms could not guarantee immediate results in lifting the major constraints facing their socio-economic development, nevertheless they provided a context in which growth and structural transformation could, in the long run, reinforce each other. Such symbiosis would require the establishment of a more favourable domestic and external policy environment. The domestic policy framework and the external support measures agreed at the meeting are aimed at creating such conditions.

A. Economic policy framework

1. Greater external orientation

10. A major thrust of the policy framework is imparting greater external orientation to the economies of the least developed countries. The Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations 2/ and the ongoing processes of globalization and liberalization have given further impetus to the evolvement of more open and liberal trading regimes.

11. High priority has been accorded within the overall policy framework to national policies and measures aiming: (a) to increase export earnings, including appropriate fiscal, exchange rate and trade policy reforms; (b) to diversify the composition of exports and facilitate their ability to exploit opportunities arising from the Final Act of the Uruguay Round; and (c) to strengthen supply capacities to adapt their economies to international competition in consequence of globalization and liberalization.

12. While the national policies of the least developed countries will bear by far the greatest burden of restructuring their economies, it is equally clear that they cannot meet these challenges alone. A series of external support measures have been agreed upon to complement national efforts. Such support relates primarily to the implementation of Uruguay Round agreements as they concern the least developed countries, viz., full and expeditious implementation of the Marrakesh Declaration as it relates to the least developed countries and the Ministerial Decision on Measures in favour of least developed countries, as well as giving effect to the Ministerial Decision on measures concerning the possible negative effects of the reform programme on the least developed countries and net food importing countries. The set of agreed measures at the mid-term review further spells out and, in some cases, goes beyond the provisions of the Final Act of the Uruguay Round. These include for example: (a) identification of the areas in which the Generalized System of Preferences (GSP) schemes needed improvement; (b) enumeration of particular rule areas of concern to the least developed countries that should be applied in a flexible and supportive way; (c) a more explicit provision in the area of textiles and clothing; (d) a provision in the areas of trade and environment and trade and labour standards (these areas were not considered during the Uruguay Round); (e) elaboration of the main areas of technical assistance to the least developed countries; and (f) introduction of the notion of providing adequate financial support to complement technical assistance.

13. In addition, the outcome of the mid-term global review took note of two important concerns of the least developed countries: firstly, the setting up of a "safety net" to help them cope with any adverse effect arising from the implementation of the Final Act in the immediate and short term, and secondly, in the area of trade in services, the movement of labour for providing services to other countries. The question of possible components of a "safety net" was subsequently considered at the first session of the United Nations Conference on Trade and Development (UNCTAD) Ad Hoc Working Group on Trading Opportunities in October 1995, and it was noted that the elements of agreements in the area of trade reached at the mid-term review could be of relevance to the future work of the Working Group.

14. The assessment by the mid-term review as regards the external trade situation of the least developed countries and the policy actions agreed at the meeting reflect the overriding concern of the least developed countries, on the one hand, to operationalize transitional measures in consequence of trade policy adjustments warranted in the wake of the Uruguay Round Agreements, to tide over possible negative effects of the Final Act, benefit from its provisions and, on the other hand, the willingness of the international community to assist the least developed countries in this regard. It should be pointed out that to succeed in implementing this outward looking approach, the least developed countries and donors will not only need to give effect to the agreed national and external actions in the area of trade, but would also have to look beyond the confines of commercial policy. For example, various UNCTAD studies have pointed out that the sustainable export diversification, which involves not only greater earnings stability but also increased trade competitiveness, poses complex challenges besides the problem of low-level exports. Policy actions would have to deal with a number of related concerns, including those pertaining to market, policy, structural and endowment-related constraints that affect the export supply capacity of the least developed countries. Similarly, in implementing support measures in the area of external trade, the development partners would need to take a broader look, going beyond specific trade-related actions. Thus, development finance, adjustment support, investment promotion and technical assistance should play important roles in addition to measures to expand market access.

15. Moreover, increased South-South cooperation can help enhance regional and subregional trade and investment by providing market access to the least developed countries by neighbouring countries as well as in terms of attracting foreign investment. The mid-term review recognized the importance of such cooperation, and recommended that measures should be taken to grant preferential access to the exports of least developed countries on a non-reciprocal basis by developing countries under the Global System of Trade Preferences and also to augment resources, where appropriate, for promoting economic cooperation among developing countries and technical cooperation among developing countries through multilateral and bilateral institutions.

2. Fostering a dynamic enterprise sector

16. High on the policy agenda set out at the mid-term review is the need for strengthening existing policies and measures, including policy based incentives and new policies where necessary, for the promotion and support of the private sector, to be complemented with public sector investment. The growth of a dynamic private enterprise sector should be underpinned by an appropriate economic, fiscal and legal framework with the following essential features: stable and predictable policies; tax, monetary and trade policies that ensure adequate incentives for investment; and a legal system which protects property rights and commercial contracts.

17. These policies and measures should help the least developed countries tap international capital flows in the form of direct and portfolio investment. However, as the mid-term review meeting noted, although a large number of least developed countries have adopted national regulatory frameworks conducive to

foreign investment, they have not yet attracted such investment on a significant scale. To complement national efforts in this area, the meeting urged the home countries of foreign investment to take appropriate supportive measures to encourage such investment in the least developed countries.

18. It would be important to elaborate further and operationalize such support measures. The mid-term review already agreed that technical assistance would be provided to help developing an environment conducive to attract foreign investment. Other possible areas of support by the home countries could relate to supporting and improving investment guarantee schemes in order to underwrite some of the financial risks associated with investing in least developed countries, as well as providing fiscal and other incentives for investing in least developed countries. Flexible and supportive application of the various instruments and facilities promoted by multilateral financial institutions - such as World Bank's Expanded Co-financing Operations and the Multilateral Investment Guarantee Agency - can offer important scope for least developed countries in augmenting foreign investment flows.

3. Human resources development and eradication of poverty

19. Improving productivity, output and living standards in the least developed countries greatly depends on enhancing human resource development. The efforts of the least developed countries to tackle key problems in human resources development have been well recognized, as also the difficulties encountered by them, particularly funding constraints. Broad guidelines of measures recommended in this area include: (a) intensifying efforts to raise education and training standards; (b) promoting life-long learning; (c) improving the health status of the population; and (d) strengthening the status of women.

20. As regards the role of women in development, policy measures should focus on enabling women to play their full role in development. These efforts should give greater attention to legislative and administrative reforms: (a) to give women full and equal access to economic resources, including the right to inheritance and to ownership of land and other property, credit, natural resources and appropriate technologies; and (b) to involve women directly in planning, decision-making, implementation and evolution of macroeconomic and social policies, programmes and projects. Moreover, national policies on women in development should incorporate special incentives and innovative schemes that can give women increased access to credit, training, information on marketing channels etc.

21. While the Programme of Action placed emphasis on poverty reduction as an element of the policy framework, the mid-term review accorded to it a greater salience. Thus, the least developed countries are called upon to ensure that their economic policies and strategies should be consistent with the need to eradicate the chronic levels of poverty. The broad elements of an approach in this regard includes the promotion of private entrepreneurship such that all people have access to productive resources and benefit from a policy and regulatory environment that enhances their overall capacity and empowers them to benefit from expanding employment and economic opportunities.

22. At the same time, the structural adjustment programmes should include social development goals, in particular the eradication of poverty, the generation of productive employment and the enhancement of social integration. In specific terms, it has been agreed that Governments of the least developed countries, in cooperation with the international financial institutions and other international organizations, should: (a) protect basic social programmes and expenditure, in particular those affecting the poor and vulnerable segments of the society, from budget reductions; and (b) further promote policies enabling small enterprises, cooperatives and other forms of micro-enterprises to develop their capacities for income generation and employment creation.

23. The mid-term review meeting called upon the interested donor countries and least developed countries to allocate, on average, 20 per cent of official development assistance and 20 per cent of the national budget, respectively, to basic social programmes. In this connection, the meeting welcomed the proposal by Norway to convene a meeting in 1996 to consider how to apply the 20/20 initiative operationally.

B. External support

24. International solidarity in favour of the least developed countries, based on the principles of shared responsibility and strengthened partnership, was seen by the Second United Nations Conference on the Least Developed Countries, held in Paris from 3 to 14 September 1990, as indispensable to the success of national policies of least developed countries. The mid-term review reaffirmed these principles and stressed that without external support the long-term objectives and the sustainability of national efforts would be jeopardized. A number of specific external measures were agreed upon in the following areas: external trade (discussed above); external finance; and external debt.

1. External finance

25. The overall donors' aid performance in the early 1990s fell short of the commitments undertaken in the Programme of Action. In the light of this and against the backdrop of the current climate of budgetary stringency and scarcity of official development assistance, two major policy issues have been identified: (a) how to improve aid allocations to the least developed countries; and (b) how to enhance the quality and effectiveness of assistance.

26. Two salient considerations in regard to external financing are that the least developed countries are almost totally dependent on official development assistance, and that their overall external resource requirements have grown significantly with the increase in the number of least developed countries since the adoption of the Programme of Action in 1990. It was already pointed out in The Least Developed Countries 1990 report 3/ that the volume of aid resulting from the implementation of the menu of official development assistance targets and commitments in the Programme of Action would not be sufficient to meet fully the requirements of the then 41 least developed countries. It is now all the more important that this menu be expeditiously implemented and, simultaneously, additional measures be taken to augment the level of external resources to the

current group of least developed countries. From that standpoint, high priority should be given to implementation of actions such as explicit incorporation of the aid targets and commitments of the Programme of Action in the donors' aid budgets, increase in the level of concessional multilateral assistance, operationalization of additional flows to social sector, environmental conservation and eradication of poverty and enhancement of the value of aid through improving aid quality.

2. External debt

27. External debt and debt servicing is a crucial issue for the majority of least developed countries. That this serious problem should necessitate strengthened efforts on the international debt strategy was acknowledged at the mid-term review, and a number of actions were agreed upon in the areas of official bilateral debt, multilateral debt, and commercial debt.

28. As regards bilateral debt, actions by creditor countries are to be carried out along four principal axes: (a) cancelling or providing equivalent relief for official development assistance as a matter of priority through the implementation of Trade and Development Board resolution 165 (IX) by creditors (including creditors non-members of the Organisation for Economic Cooperation and Development (OECD)), who have not already done so; (b) adopting measures to reduce substantially the bilateral debt; (c) continuing to implement expeditiously and in a flexible manner the very concessional treatment under the Naples terms by the Paris Club creditors; and (d) adopting similar measures by non-Paris Club creditors, including by setting up special debt-reduction programmes and debt relief mechanisms.

29. Comprehensive consideration of all aspects of multilateral debt of the least developed countries was facilitated by progressive evolution in the international community's thinking regarding this component of their debt. Analysis undertaken in international organizations and elsewhere suggests a variety of innovative approaches for dealing with multilateral debt. 4/ The mid-term review emphasized that the share of such debt in the long-term debt owed by least developed countries, as well as multilateral debt service, has increased considerably in recent years. To address this problem, the Bretton Woods institutions are encouraged to develop a comprehensive approach through the flexible implementation of existing instruments and new mechanisms where necessary. A particular reference has been made to the ongoing considerations of ways to deal with multilateral debt, and the Bretton Woods institutions are called upon to expedite such work.

30. As regards commercial debt, the creditor countries, private banks and multilateral financial institutions have been invited to consider continuing the initiatives and efforts to address this problem. One specific action agreed at the meeting is mobilizing the resources of the Debt Reduction Facility of the International Development Association (IDA) in order to help eligible least developed countries to reduce their commercial debt, as well as considering alternative mechanisms to complement this facility. Moreover, techniques of debt conversion applied to social development programmes and projects should be

developed and implemented in accordance with the Copenhagen Declaration on Social Development of the World Summit for Social Development. 5/

31. Overall, the impact of these measures would depend, in the main, on the benefit that can be derived from the implementation of the Naples Terms, and the level of debt reduction that can be granted by new mechanisms being considered within the international financial institutions. While the Naples Terms are a welcome step forward, they can have a significant role in providing debt relief only if they are applied to a sizeable part of the total outstanding debt and if the debt stock reduction is extended to a large number of least developed countries. Moreover, as UNCTAD analyses indicate, even full implementation of the Naples Terms would not in itself be sufficient to bring down debt service ratios for many least developed countries. At the Halifax summit in June 1995 the Group of Seven countries signalled to the Bretton Woods institutions to develop a comprehensive approach to assisting countries with multilateral debt problems, and this point has been reflected in the outcome of the mid-term review on multilateral debt. Given that the multilateral debt burden of least developed countries has increased considerably and that little assistance has been available to help debt-distressed least developed countries in meeting their multilateral obligations, it is important to ensure that the scale of relief to be provided by the new mechanisms under consideration leads to a substantial reduction of such debt.

III. PREPARATORY PROCESS FOR THE MID-TERM GLOBAL REVIEW

32. The elaboration of the preparatory activities for the mid-term global review, including intergovernmental, expert, sectoral and inter-agency preparatory meetings and the substantive documentation, was initiated by the UNCTAD Trade and Development Board at its spring session in 1994, in accordance with paragraph 18 of General Assembly resolution 48/171. Subsequently the General Assembly in its resolution 49/98 decided on the preparatory process, notably to convene the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries (Donor-Recipient Meeting) to prepare for the High-level Intergovernmental Meeting. Main responsibility for the preparatory process was assumed by UNCTAD in its capacity as the focal point for the review and appraisal of the implementation of the Programme of Action and its follow-up at the global level. Substantive preparations were also undertaken at the regional level, and other parts of the United Nations system likewise contributed to the process, as described below.

A. Action by the Trade and Development Board

33. The fourth annual review of progress in the implementation of the Programme of Action was conducted by the Trade and Development Board during the second part of its fortieth session in April 1994, and the fifth annual review similarly during the second part of the forty-first session of the Board in March 1995. Background for the Board's deliberations was provided by the 1993-1994 6/ and 1995 4/ issues of The Least Developed Countries report prepared by the UNCTAD secretariat. In addition to analysing the socio-economic

performance of the least developed countries, their policy reform efforts, and trends in trade and external support for these countries, the 1993-1994 report reviewed the special issues of education and health care in the least developed countries, and the 1995 report reviewed, performance in the productive sectors. The 1995 report was prepared with a view to serving also as the basic background document for the High-level Intergovernmental Meeting on the mid-term global review. Consequently, it took a retrospective look at the progress made in the implementation of the Programme of Action since its adoption in 1990, analysing the difficulties encountered in sustaining development in the least developed countries. Upon the Board's request, an addendum to the 1995 report was subsequently prepared, containing an update to that report notably on external support measures, as well as further analysis of least developed countries' growth experience undertaken in response to a request by participants during the Donor-Recipient Meeting. 7/ The 1995 report was further complemented by a statistical profile on the least developed countries. 8/

34. At its April 1994 session, the Trade and Development Board adopted decision 412 (XL) on the High-level Intergovernmental Meeting on the mid-term global review, inter alia, submitting a series of recommendations to the General Assembly on the preparations for the meeting. It also adopted agreed conclusions 413 (XL) on the review of progress in the implementation of the Programme of Action. At its March 1995 session, the Board reviewed the status of preparations for the High-level Intergovernmental Meeting, besides undertaking the annual review of progress in the implementation of the Programme of Action. The Board adopted agreed conclusions 423 (XLI) on these two agenda items. It recommended making available to the High-level Intergovernmental Meeting a comprehensive assessment of the progress in the implementation of the Programme of Action, and set out a number of elements and priority issues to be taken into account in such an assessment. The Board, moreover, in an annex to agreed conclusions 423 (XLI), submitted recommendations to the High-level Intergovernmental Meeting on the agenda and organization of work for the meeting.

B. Preparatory expert group meetings

35. As part of the preparations for the mid-term global review, the UNCTAD secretariat organized a series of issue-oriented expert group meetings. The first such meeting was held at Niamey in January 1995 and was devoted to the role of women in the development of the least developed countries. The meeting was organized with the financial support of the Government of Norway, the United Nations Development Fund for Women (UNIFEM) and the United Nations Population Fund (UNFPA). It adopted a Declaration to bring to the attention of the international community the special problems faced by women in least developed countries and the need to adopt urgent measures to enhance their full participation in the development process of least developed countries, both as agents and beneficiaries. Detailed recommendations for priority action to this end focused on education, health, participation of women in the productive sector in the least developed countries and the incorporation of women's concerns in mainstream development. 9/

36. A second expert group meeting, on fiscal policy reforms in the least developed countries, was convened at Geneva in March 1995. This meeting was organized with the financial support of the Government of the Netherlands. The expert group discussed different options available in the field of tax reforms and explored ways for raising revenue in these countries. The report of the meeting sets out the main conclusions and policy implications emerging from the deliberations, including with regard to the general context for fiscal policy action of Governments of least developed countries and the implementation of tax reforms and capacity-building. 10/

37. Moreover, an expert group meeting on trade diversification in the least developed countries was organized at Geneva in April 1995, with the financial support of the Government of Italy. The experts at this meeting examined the potential for trade diversification in least developed countries, constraints to diversification and the required national and international support measures. They adopted a number of conclusions and policy recommendations, which, inter alia, stressed that sustainable diversification in the least developed countries pose complex challenges that went beyond the domain of commercial policy. The achievement of trade diversification in the least developed countries would require concerted multilateral and national effort, designed in particular to alleviate supply-side constraints; in the absence of that, the trade position and economic weight of least developed countries would remain marginal. 11/

38. Issues of external finance, debt and trade were the subject of a special high-level panel, with the participation of distinguished specialists in these fields, organized during the Donor-Recipient Meeting in May 1995. The objective of the panel was to provide innovative ideas and recommendations for the consideration of the Meeting. Specific proposals were put forward notably concerning a debt strategy for the least developed countries. The new opportunities for South-South cooperation emerging with the dynamic growth experience of a number of developing countries, were also emphasized.

C. Preparations at the regional level

39. Regional meetings to prepare for the mid-term global review were organized by the relevant United Nations regional commissions in accordance with paragraph 4 (c) of General Assembly resolution 49/98, and the substantive inputs provided through the preparatory process at this level were transmitted to the Donor-Recipient Meeting in May-June 1995 and to the High-level Intergovernmental Meeting itself.

40. A mid-term review of the implementation of the Programme of Action in the Asian and Pacific region was undertaken by the Special Body on Least Developed and Land-locked Developing Countries of the Economic and Social Commission for Asia and the Pacific (ESCAP) at its second session held at Bangkok in April 1995. The recommendations of the Special Body on measures to strengthen the implementation of the Programme of Action as well as the substantive issues to be addressed in the regional input to the mid-term global review were subsequently endorsed by the Commission at its fifty-first session through resolution 51/9. This resolution, the report of the Special Body and an

overview of economic growth and social development of the least developed countries in the Asian and Pacific region in the early 1990s were made available as ESCAP's input to the Donor-Recipient Meeting in May-June 1995. A subsequently revised contribution was transmitted to the High-level Intergovernmental Meeting. 12/

41. Progress achieved by the African least developed countries in the implementation of the Programme of Action was reviewed by the Conference of Ministers responsible for Economic and Social Development and Planning, which convened for the thirtieth session of the Economic Commission for Africa (ECA) and the twenty-first meeting of the Conference of Ministers in Addis Ababa in May 1995. The Conference of Ministers adopted a special memorandum on the mid-term global review, reflecting the African position on the issues before the High-level Intergovernmental Meeting and containing, inter alia, a number of proposals on measures for the accelerated implementation of the Programme of Action. The Conference of Ministers also adopted resolution 797 (XXX) on the accelerated implementation of the Programme of Action in African least developed countries during the second half of the 1990s. In accordance with this resolution, the Special Memorandum as well as the report prepared by ECA reviewing the economic and social situation of the African least developed countries during the first phase of the implementation of the Programme of Action, 1990-1994, were transmitted as ECA's contribution to the mid-term global review. As further input, ECA also contributed a review of the external resources situation and debt of African least developed countries. 13/

D. Donor-Recipient Meeting

42. The Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with representatives of the least developed countries (Donor-Recipient Meeting), which was held at Geneva from 29 May to 2 June 1995, constituted the main event in the preparatory process leading up to the mid-term global review. The Donor-Recipient Meeting examined a number of priority issues as set out by the Trade and Development Board at its March 1995 session, notably developments in the world economy since 1990 as they affected the growth and development performance of least developed countries; lessons learned from adjustment and macroeconomic and policy reforms; the challenges posed by globalization and liberalization as well as the implications of the Uruguay Round for the least developed countries; and the provision of official development assistance and debt relief during the early 1990s and the implications of the enlargement of the list of least developed countries for international support measures.

43. The Donor-Recipient Meeting had before it two papers submitted by the Acting Chairman of the Special Sessional Committee of the March 1995 session of the Trade and Development Board, prepared to facilitate consultations at the Meeting pursuant to paragraph 7 of agreed conclusions 423 (XLI). The first of these documents contained a draft assessment of progress in the implementation of the Programme of Action at the national level and of progress in international support measures, and the second, possible recommendations covering a number of key areas of concern for the least developed countries. The documents were considered by a Working Group set up by the Meeting. The

Donor-Recipient Meeting agreed to transmit the text subsequently elaborated by the Working Group as a contribution to the High-level Intergovernmental Meeting. 14/

E. Mobilization and coordination of organs, organizations and bodies of the United Nations system

44. As requested by the General Assembly, the Secretary-General has continued to take requisite steps to mobilize and coordinate the organs, organizations and bodies of the United Nations in the implementation of and follow-up to the Programme of Action, as well as to ensure appropriate preparations for the mid-term global review. Moreover, agencies have responded to the specific requests for preparatory activities addressed to them by the General Assembly, e.g., by undertaking sectoral appraisals and submitting special reports as inputs to the mid-term global review.

45. The Consultative Committee on Programme and Operational Questions reporting to the Administrative Committee on Coordination, regularly reviewed the implementation of the Programme of Action and, in particular, the preparations for the mid-term global review. Substantive inter-agency consultations were held in response to the request by the General Assembly in paragraph 4 (e) of its resolution 49/98, on the basis of a report prepared by the UNCTAD secretariat, during the inter-sessional meeting of the Consultative Committee on Programme and Operational Questions (sixth session) in New York in May 1995. At this occasion, Consultative Committee on Programme and Operational Questions member organizations, inter alia, reiterated that the least developed countries remained a priority objective for supportive action by the United Nations system. It was also emphasized that the system, in its programmes and operational activities, must maintain a strong international advocacy role in favour of the least developed countries, including in resource mobilization, and must assist Governments of least developed countries in the strengthening of national administration, management capacity and infrastructural development. The views expressed by participants on the issues before the High-level Intergovernmental Meeting were communicated to the Donor-Recipient Meeting, which was simultaneously in session in Geneva. 15/

46. Agencies have reported regularly on their implementation of the Programme of Action, notably in response to an annual questionnaire on follow-up to the Programme issued by UNCTAD. They have also provided specific inputs to the annual review of progress in the implementation of the Programme of Action, e.g., collaborating with the UNCTAD secretariat in analysis of key sectors and special topics for the Least Developed Countries Report. Some of them have undertaken sectoral appraisals of their own in accordance with paragraph 140 of the Programme of Action and General Assembly resolutions 45/206 and 49/98. Such appraisal has been undertaken on a regular basis, notably by the United Nations Industrial Development Organization (UNIDO), which has organized a series of ministerial-level symposia on the industrialization of the least developed countries. The first two were held in November 1991 and December 1993, with a third symposium scheduled for November-December 1995. The United Nations Educational, Scientific and Cultural Organization (UNESCO) for its part prepared a review of the least developed countries and the challenge to social

development as a contribution to the World Summit for Social Development at Copenhagen in March 1995.

47. A number of agencies submitted special reports reviewing the implementation of the Programme of Action within their respective fields of competence, in response to paragraph 20 of General Assembly resolution 48/171 and paragraph 9 of Assembly resolution 49/98. These were made available to the Donor-Recipient Meeting and to the High-level Intergovernmental Meeting together with the contributions from the regional commissions. 16/ Agencies also contributed to the preparatory process for the mid-term global review in other ways, e.g., by providing support for and participating actively in expert groups and other preparatory meetings.

48. The UNCTAD secretariat collaborated closely with other agencies to ensure appropriate preparations for an in-depth mid-term global review, undertaking intensive consultations notably with the United Nations Development Programme (UNDP) and the relevant regional commissions during the preparatory process leading up to the High-level Intergovernmental Meeting. As regards UNDP, its Executive Board at its second regular session of 1995 in April considered matters relating to the least developed countries. The Administrator of UNDP in this context reported on the efforts made to address the special needs and priorities of the least developed countries. In its decision 95/12, the Executive Board, inter alia, requested UNDP to assist in providing the necessary support to the preparations for the mid-term review of the Programme of Action (see below). Another important provision concerning the least developed countries is contained in decision 95/23 by the annual session of the Executive Board in June 1995 on successor arrangements to the fifth programming cycle. The Executive Board, recognizing the continued priority given to the least developed countries in resource allocation, decided to allocate 60 per cent of UNDP's programme resources to the least developed countries. 17/

49. Pursuant to paragraph 14 of General Assembly resolution 48/171, the particular needs and requirements of the least developed countries have also been taken into account by recent major meetings and conferences of the United Nations system. Principle 7 of the Programme of Action adopted by the International Conference on Population and Development held at Cairo from 5 to 13 September 1994 18/ thus states that the special situation and needs of developing countries, particularly of the least developed countries, shall be given special priority. The Programme points to funding and capacity-building as two key areas to be addressed specifically with regard to the least developed countries. The Declaration adopted by the World Summit for Social Development held at Copenhagen in March 1995 acknowledges the critical situation particularly of Africa and the least developed countries, and in Commitment 7 sets out a number of measures to accelerate the economic, social and human resource development of these countries. The Fourth World Conference on Women held at Beijing from 4 to 15 September 1995 19/ for its part stated that adequate financial resources should be committed at the international level for the implementation of its Platform of Action in the developing countries, particularly in Africa and the least developed countries. Issues relating to human settlements in the least developed countries will be addressed in the context of the Second United Nations Conference on Human Settlements (Habitat II), which is to take place in Istanbul in June 1996. 20/

F. Participation of the least developed countries in the preparatory process

50. The least developed countries participated actively in the preparatory process for the mid-term global review, notably through participation in expert group meetings, preparations at the regional level and taking an active part in the Donor-Recipient Meeting in May-June 1995. Least developed country participants, inter alia, prepared a number of case-studies, which formed part of the background documentation for the expert groups. Substantive preparation of and the attendance of least developed country participants at expert group meetings was made possible through the financial support of bilateral donors and multilateral funding sources, as indicated above. Following decision 93/18 of the UNDP Governing Council, in which the Council requested UNDP to assist in providing the necessary support to the preparations of the mid-term review and in mobilizing funding for the participation of least developed countries, and in accordance with decision 95/12 of its Executive Board, UNDP made available a contribution of $160,000, which was used notably for enabling the participation of representatives of the least developed countries in the Donor-Recipient Meeting. The participation of the least developed countries in the High-level Intergovernmental Meeting itself was covered under the arrangements decided upon by the General Assembly in paragraph 5 of its resolution 49/98.

51. The possibility of the least developed countries to participate in the annual review of progress in the implementation of the Programme of Action undertaken by the Trade and Development Board have been limited by lack of funding. In the absence of regular funding arrangements for this purpose, least developed countries' attendance has so far largely depended on the provision of extrabudgetary resources, which have tended to dry up in recent years. A few donor countries did however provide such support, enabling in particular an informal exchange of views held during the April 1994 session of the Board on country-level experience with the implementation of the Programme of Action, with the participation of a number of ministers and high-ranking officials and experts from least developed countries. This significantly contributed to a constructive dialogue with development partners and a strengthening of the review exercise.

52. The least developed countries continued to consult among themselves on the implementation of and follow-up to the Programme of Action and on the preparations for the mid-term global review. A meeting was thus held between ministers and heads of delegations of least developed countries participating in the Trade and Development Board session in April 1994; they issued a statement on progress in the implementation of the Programme, underscoring the importance of the High-level Intergovernmental Meeting and adequate preparatory activities. The ministers of the least developed countries meeting in New York later in 1994 during the forty-ninth session of the General Assembly considered in depth the preparations for as well as the substantive issues before the High-level Intergovernmental Meeting, and on 4 October 1994 adopted a declaration on these issues. 21/ Ministers of least developed countries also undertook missions to donor capitals during the months preceding the High-level Intergovernmental Meeting in order to sensitize the donor community at the highest political level about the needs and problems of the least developed countries.

53. At the national level, the consultative and aid group and round table processes have provided the backbone for implementation of and follow-up to the Programme of Action, as well as important inputs for the global review process. The World Bank and UNDP acted as lead agencies providing support for these country review meetings. During 1994 and the first 10 months of 1995, 14 consultative and aid groups and 14 round table and similar meetings were convened by 24 least developed countries, while a number of others were in the process of preparing such consultations. Altogether, close to 70 country review meetings for least developed countries have been organized since the adoption of the Programme of Action. This has represented a major substantial effort by the least developed countries to implement policies in line with the Programme of Action and to improve the effectiveness of external resource use.

Notes

1/ Report of the Second United Nations Conference on the Least Developed Countries, Paris, 3-14 September 1990 (A/CONF.147/18), part one.

2/ See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat, Sales No. GATT/1994-7), vol. 1.

3/ TD/B/1289 (United Nations publication, Sales No. 91.II.D.3).

4/ See, for instance, The Least Developed Countries 1995 report (TD/B/41(2)/4 and Add.1, UNCTAD/LDC(1995) and Add.1 (United Nations publication, Sales No. 95.II.D.2)), and Trade and Development Report, 1995 (TD/B/42(1)/15).

5/ A/CONF.166/9, chap. I, resolution 1, annex I.

6/ TD/B/40(2)/11, UNCTAD/LDC(1993) (United Nations publication, Sales No. 94.II.D.4).

7/ TD/B/41(2)/4/Add.1, UNCTAD/LDC(1995)/Add.1.

8/ TD/B/LDC/GR/6.

9/ TD/B/LDC/GR/2.

10/ TD/B/LDC/GR/1.

11/ TD/B/LDC/GR/3.

12/ TD/B/LDC/GR/Misc.1/Add.4/Rev.1.

13/ TD/B/LDC/GR/Misc.1/Add.5, parts I to III.

14/ TD/B/42(1)/9, TD/B/LDC/GR/5 and TD/B/LDC/AC.2/2.

15/ ACC/1995/11, paras. 12-17.

16/ Issued as addenda to TD/B/LDC/GR/Misc.1. Apart from ECA and ESCAP, the following agencies submitted reports: Department of Humanitarian Affairs of the Secretariat, ILO, IMF, ITC, ITU, UNCHS (Habitat), UNESCO, UNFPA, UNIDO, UPU, WHO and WFP.

17/ Earmarkings for the 48 countries currently on the list of least developed countries amounted to 58 per cent during the fifth UNDP programming cycle. Over the period from 1990 to 1993, the least developed countries' share in total UNDP expenditure recorded as official development assistance amounted to some 37 per cent.

18/ A/CONF.171/13 and Add.1.

19/ See A/CONF.177/20.

20/ See further "Compendium on special measures in favour of the least developed countries adopted since the Second United Nations Conference on the Least Developed Countries" (TD/B/LDC/GR/7), prepared as background document for the High-level Intergovernmental Meeting, which also sets out special provisions on least developed countries adopted by other major meetings and conferences of the United Nations system. See also TD/B/LDC/GR/Misc.1/Add.8 and TD/B/LDC/GR/Misc.1/Add.9. Special events on least developed country issues were arranged in connection with some of these meetings, e.g., at the World Summit for Social Development.

21/ The least developed countries have also consulted among themselves on issues of special concern to them at other major meetings and conferences of the United Nations system.